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BEFORE THE  
ILLINOIS COMMERCE COMMISSION

ILLINOIS-AMERICAN WATER COMPANY ) DOCKET NO.  
 ) 07-0195  
 )  
Application for approval of its )  
annual reconciliation of purchased )  
water and purchased sewage )  
treatment surcharges pursuant to )  
83 Ill. Adm. Code 655 and request )  
for a variance from Part 655. )

Wednesday, January 30, 2008

Springfield, Illinois

Met, pursuant to notice, at 1:30 p.m.

BEFORE:

MR. J. STEPHEN YODER, Administrative Law Judge

APPEARANCES:

MR. JOHN J. REICHART  
Corporate Counsel  
727 Craig Road  
St. Louis, Missouri 63141

(Appearing on behalf of  
Applicant via teleconference)

SULLIVAN REPORTING CO.  
By Carla Boehl, Reporter  
CSR #084-002710

1        APPEARANCES:    (CONTINUED)

2           MS. SUSAN SATTER  
3           MS. KRISTIN MUNSCH  
4           OFFICE OF THE ATTORNEY GENERAL  
5           100 West Randolph Street  
6           Chicago, Illinois    60601

7                                (Appearing on behalf of the  
8                                People of the State of Illinois  
9                                via teleconference)

10          MR. DANIEL G. KAHLE  
11          Financial Analysis Division  
12          527 East Capitol Avenue  
13          Springfield, Illinois    62701

14                                (Appearing on behalf of Staff of  
15                                the Illinois Commerce  
16                                Commission)

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1		INDEX	
2	WITNESSES	DIRECT	CROSS
3	None .		
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10			
11	<u>EXHIBITS</u>	<u>MARKED</u>	<u>ADMITTED</u>
12	IAWC 1.0	e-Docket	32
13	IAWC 2.0	e-Docket	32
14	AG 1.0	e-Docket	33
15	AG 2.0	e-Docket	33
16	ICC Staff 1.0	e-Docket	35
17	ICC Staff 2.0	e-Docket	35
18	ICC Staff 3.0	e-Docket	35
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1 527 East Capitol Avenue, Springfield, Illinois 62701.

2 My telephone number is (217) 742-4710.

3 JUDGE YODER: Anyone else wishing to enter  
4 their appearance in this docket? Let the record  
5 reflect no response.

6 This hearing is advanced at the  
7 request of the parties to -- the parties have  
8 indicated there are no contested issues and they are  
9 wishing to proceed to an evidentiary hearing today.

10 Is that correct, Mr. Reichart?

11 MR. REICHART: That's the Company's  
12 understanding, yes.

13 JUDGE YODER: And is it Ms. Munsch or  
14 Ms. Satter?

15 MS. SATTER: This is Ms. Satter. And, yes, we  
16 agree with that understanding.

17 JUDGE YODER: Is Staff ready to proceed?

18 MR. KAHLE: Yes, we also agree, yes.

19 JUDGE YODER: Anything to present then in this  
20 docket on behalf of Illinois-American, Mr. Reichart?

21 MR. REICHART: Thank you, Your Honor.

22 Illinois-American would call its first witness and

1     only witness, Richard Kerckhove.

2             JUDGE YODER:   Mr. Kerckhove, would you stand  
3     and raise your right hand?

4                             (Whereupon the witness was duly  
5                             sworn by Judge Yoder.)

6             MR. REICHART:   Thank you.

7                             RICH KERCKHOVE  
8     called as a witness on behalf of Applicant, having  
9     been first duly sworn, was examined and testified as  
10    follows:

11                            DIRECT EXAMINATION

12             BY MR. REICHART:

13             Q.    Good afternoon, Mr. Kerckhove.   Could you  
14    please state your full name for the record.

15             A.    Rich Kerckhove.   Kerckhove is spelled  
16    K-E-R-C-K-H-O-V-E.

17             Q.    And could you state by whom you are  
18    employed and what your business address is?

19             A.    I am employed by American Water Works  
20    Service Company, Inc.   My business address is 727  
21    Craig Road, St. Louis, Missouri 63141.

22             Q.    Mr. Kerckhove, did you prepare certain

1 documents for submittal in this proceeding?

2 A. Yes, I did.

3 Q. I would like to call your attention to a  
4 document that has previously been marked for  
5 identification purposes as Exhibit Number 1.0  
6 entitled Direct Testimony of Rich Kerckhove. Do you  
7 have this document before you?

8 A. Yes, I do.

9 Q. And this document consists of 16 pages of  
10 narrative testimony and two attachments, is that  
11 correct?

12 A. That is correct.

13 Q. Was this document prepared by you or under  
14 your supervision?

15 A. Yes.

16 Q. Do you have any corrections to make to this  
17 document?

18 A. Yes, I do. IAWC Exhibit RL-1.1 should be  
19 marked as IAWC Exhibit RK-1.1. And IAWC Exhibit  
20 RL-1.2 should be marked as IAWC Exhibit RK-1.2.

21 Q. Are there any other corrections to make to  
22 this document?

1           A.    No.

2           Q.    Having made these corrections is the  
3 information contained in these documents true and  
4 correct to the best of your knowledge?

5           A.    Yes, it is.

6           Q.    If I were to ask you the questions  
7 contained in this narrative testimony today, would  
8 your answers be substantively the same?

9           A.    Yes.

10          Q.    Thank you. I would like to next call your  
11 attention to a document that has previously been  
12 marked for identification purposes as IAWC Exhibit  
13 Number 2.0 entitled Rebuttal Testimony of Rich  
14 Kerckhove. Again, was this document prepared by you  
15 or under your supervision?

16          A.    Yes.

17          Q.    And just for clarification purposes this  
18 document consists of seven pages of narrative  
19 testimony and several attachments as well, is that  
20 correct?

21          A.    That is correct.

22          Q.    Do you have any corrections or revisions to



1 make to this document?

2 A. No, I do not.

3 Q. Is the information contained in this  
4 document true and correct to the best of your  
5 knowledge?

6 A. Yes, it is.

7 Q. If I were to ask you the questions  
8 contained in this testimony today, would your answers  
9 be substantively the same?

10 A. Yes.

11 MR. REICHART: Thank you, Mr. Kerckhove. Your  
12 Honor, subject to cross examination the Company would  
13 move for the admission of Exhibit Number 1.0 and  
14 Exhibit Number 2.0 along with attached exhibits.

15 JUDGE YODER: All right. Any objection,  
16 Ms. Satter?

17 MS. SATTER: No.

18 JUDGE YODER: Mr. Kahle?

19 MR. KAHLE: No.

20 JUDGE YODER: All right then.

21 Illinois-American Water Exhibit 1.0 and 2.0 with  
22 accompanying attachments or exhibits will be admitted

1       into evidence then in this docket.

2                               (Whereupon IAWC Exhibits 1.0 and  
3                               2.0 were admitted into  
4                               evidence.)

5               JUDGE YODER:  Anything further to present on  
6       behalf of Illinois-American?

7               MR. REICHART:  No, Your Honor.

8               JUDGE YODER:  Okay.  Ms. Satter, you indicated  
9       before we went on the record that the Attorney  
10      General would be moving to put Mr. Rubin's direct  
11      testimony, AG Exhibit 1.0, in by a late-filed  
12      affidavit, is that correct?

13              MS. SATTER:  That is correct, and we will call  
14      it AG Exhibit 2.0.

15              JUDGE YODER:  Any objection to the Attorney  
16      General having late-filed Exhibit 2.0 admitting Mr.  
17      Rubin's testimony into evidence in that fashion, Mr.  
18      Reichart?

19              MR. REICHART:  The Company has no objection,  
20      Your Honor.

21              JUDGE YODER:  Mr. Kahle?

22              MR. KAHLE:  No objection, Your Honor.

1 JUDGE YODER: All right then. The Attorney  
2 General will be granted leave to have late-filed AG  
3 Exhibit 2.0, be the affidavit of Mr. Rubin, and we  
4 will admit his direct testimony, Exhibit 1.0, into  
5 evidence pursuant to that affidavit.

6 (Whereupon AG Exhibits 1.0 and  
7 2.0 were admitted into  
8 evidence.)

9 JUDGE YODER: Anything further to present on  
10 behalf of the Attorney General?

11 MS. SATTER: No, thank you.

12 JUDGE YODER: Mr. Kahle, anything on behalf of  
13 Staff?

14 MR. KAHLE: Yes. For Docket 07-0195 Staff  
15 would move for the admission of ICC Staff Exhibit 1.0  
16 titled Direct Testimony of Daniel G. Kahle which was  
17 prepared by me and prefiled on e-Docket on October  
18 30, 2007. It consists of a cover page, 15 pages of  
19 narrative testimony, four schedules totaling 17 pages  
20 and 7 attachments totaling 13 pages.

21 Also ICC Staff Exhibit 2.0 consisting  
22 of a three-page affidavit and a schedule titled ICC

1 Staff Exhibit 1.0, Schedule 1.1 Corrected, which was  
2 prepared by me and prefiled on e-Docket on December  
3 6, 2007.

4 And finally ICC Staff Exhibit 3.0  
5 consisting of a two-page affidavit which was prepared  
6 by me and prefiled on e-Docket on January 25, 2008.

7 And if I were asked the same questions  
8 today, the answers would be the same. I have no  
9 changes, additions or modifications of these  
10 exhibits.

11 JUDGE YODER: All right. Mr. Reichart, any  
12 objection to the admission of Staff Exhibit 1.0, 2.0  
13 and 3.0 with the accompanying attachments.

14 MR. REICHART: We have no objection, Your  
15 Honor.

16 JUDGE YODER: Ms. Satter, any objection to the  
17 admission of those Staff exhibits?

18 MS. SATTER: No, Your Honor.

19 JUDGE YODER: All right then. Staff Exhibit  
20 1.0 with the accompanying attachments, Staff Exhibit  
21 2.0 with the Exhibit 1.1 Corrected and Staff Exhibit  
22 3.0, affidavit of Mr. Kahle, will be admitted into

1 evidence in this docket.

2 (Whereupon ICC Staff Exhibits  
3 1.0, 2.0 and 3.0 were admitted  
4 into evidence.)

5 JUDGE YODER: Anything further to present on  
6 behalf of Staff?

7 MR. KAHLE: Nothing, Your Honor.

8 JUDGE YODER: All right then. It appears the  
9 record can be marked heard and taken. It is my  
10 understanding that the parties are working on an  
11 agreed or unobjected to draft order. Mr. Reichart  
12 will incorporate any of the parties' positions and  
13 then present that to me and we will attempt to get  
14 that into the Commission before the filing of the  
15 next purchase water reconciliation. Is that correct,  
16 Mr. Reichart?

17 MR. REICHART: The Company has nothing further,  
18 Your Honor.

19 JUDGE YODER: Ms. Satter, anything further on  
20 behalf of the Attorney General?

21 MS. SATTER: No, thank you.

22 JUDGE YODER: Anything further on behalf of

1     Staff?

2             MR. KAHLE:   Nothing further.

3             JUDGE YODER:   All right then.   We will have the  
4     record marked heard and taken and we will await the  
5     proposed draft order.

6                             HEARD AND TAKEN

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